

# WASHINGTON STATE DEPARTMENT OF REVENUE

## SPECIAL NOTICE

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For further information contact:  
Telephone Information Center  
1-800-647-7706 or (360) 486-2345

Alternate Formats (360) 486-2342  
Teletype 1-800-451-7985

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### **Effective January 1, 1994 Change in Paying Watercraft Personal Property Taxes**

Earlier this year, the Legislature passed Engrossed House Bill 1481 which was signed into law by the Governor as Chapter 33, Laws of 1993 Regular Session. This new law takes effect on January 1, 1994. Under the new law, starting with taxes due in 1994, responsibility for billing and collecting the property tax on commercial vessels is transferred from the county treasurer to the Department of Revenue. **This means that, starting in 1994, instead of paying the property tax to the county treasurer, you will pay this tax to the Department of Revenue.** In mid February, you will receive a property tax statement from the Department of Revenue showing the amount of current tax due, and a statement showing any omitted or delinquent taxes that have not been paid in previous years. As in previous years, the taxes will need to be paid by April 30. In prior years, the tax could be paid in two equal installments, with the second half due by October 31. Under the new law, payment must be made in full by April 30 or the taxes will be delinquent after that date. The penalties for failure to pay the tax by the due date have also changed.

Presently, delinquent property taxes on commercial vessels are subject to interest at one percent per month from the date of delinquency until paid. Also, a three-percent penalty is added if the tax is not paid by June 1, and if the tax is still unpaid by December 1, a second penalty, eight-percent, is added. The interest and penalties will continue on unpaid taxes until they are collected.

Starting with taxes billed for collected in 1994, the penalties for late payment will be as follows:

- ◆ five percent of the amount of tax if paid within thirty days after the due date;
- ◆ ten percent of the amount of tax if paid within sixty days after the due date; and,
- ◆ twenty percent of the amount of tax if paid after sixty days past the due date.

The minimum penalty assessed for late payment will be five dollars. Delinquent taxes are also subject to interest at a variable rate that is adjusted annually by the Department.

Vessels that are placed on the assessment rolls as a result of tax discovery activity conducted by the Department shall be billed for the taxes and interest from the original due date of the tax until paid. The taxes shall be paid by the vessel owner within thirty days of the date of notice. Failure to pay by the due date shall result in a penalty of ten percent of the tax due being added to that amount.

(more)



Delinquent taxes along with all penalties and interest shall be collected by the Department, if necessary, by filing and executing interest bearing tax warrants in Superior Court. In the event a warrant is issued to collect delinquent taxes, a penalty will be added that is equal to five percent of the amount of delinquent tax or ten dollars, whichever is greater.

Any person who willfully files a false listing or willfully fails to list a ship or vessel as required by RCW 84.40.065 shall be subject to a penalty equal to one hundred percent of the amount of tax due as required by RCW 84.40.130 (2).

Later this year, the Department will be obtaining the tax account records from county treasurers so any delinquent tax information will be sent with the 1994 water property tax statement from the Department of Revenue. If you owe any taxes from previous years, we recommend you pay them to the county treasurer before December 31, 1993.

We trust this notification provides you with the information you need regarding the change over in billing and collecting the commercial watercraft personal property tax. If you have any questions, contact the Department of Revenue, Special Programs Division, Watercraft Valuation Unit, Post Office Box 47477, Olympia, Washington 98504-7477.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users please call 1-800-451-7985.